

Following [yesterday's news](#) of General Motors filing for Chapter 11 bankruptcy, here is the local reaction:

[Indianapolis Star](#) [editorial:](#)

*Both the Bush and Obama administrations bought the argument that General Motors was too vital to the U.S. economy to allow the company to fail. But the price of the intervention -- the government's lingering intrusion -- may prove to be the biggest obstacle the new GM will face as it tries to rebuild.*

[Herald Bulletin](#) [editorial:](#)

*After a century of automotive excellence and jobs that defined the American middle class, GM will have to retool, and what will emerge will be a very different business. It will slash employees and close factories. It's yet to be determined how the bankruptcy will affect retirees; the UAW will be administering those costs. The company that employed 618,000 Americans in 1979 now has 61,000 hourly workers, and the bankruptcy will pare that down even more as GM offers buyouts.*

*What emerges from bankruptcy will be a far different company. It won't be the GM that Madison County workers remember. And it won't be a company that, by the very nature of its product and work force, changed American society.*

*The new GM will be leaner and more in position to be competitive. Without the burden of the legacy costs, the manufacturer can go head to head with Toyota and Honda. The best technology is in the USA, and when put on a footing equal to its foreign competitors, GM could, like the Phoenix, rise from its ashes.*

Fort Wayne News Sentinel [reported](#) on Congressman Pence's reaction:

*Rep. Mike Pence, R-6th, said it's a "step in the right direction. It's better than a long series of bailouts with no strings attached."*

*Even so, Pence said, Republicans had a better idea: a more typical bankruptcy in which a bankruptcy judge - not the government - would make decisions about the business.*

When Congressman Pence [opposed the initial auto bailout](#) , his reasons were

*It exposes the American taxpayer to more debt, fails to reorganize the domestic auto manufacturers to ensure long-term success and does not fix the immediate credit crisis. Instead, the Democrat bill will prevent necessary changes and force us back into this same situation where taxpayers will be asked to bail out the industry again.*

[The alternative plan that Congressman Pence supported](#) would have protected the American taxpayer and would have helped the American auto worker by providing a path for American domestic auto companies to become more competitive.